

Message Text

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12

ACTION EA-10

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TO SECSTATE WASHDC 9662

INFO AMEMBASSY CANBERRA

CINCPAC

AMEMBASSY MOSCOW

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E.O. 11652: N/A

TAGS: ELAB, PINT, NZ, UR

SUBJECT: ANNUAL FEDERATION OF LABOUR (FOL) CONFERENCE

CINCPAC FOR POLAD

1. SUMMARY - REFLECTING ELECTION YEAR REALITIES MAY 6-9
FOL CONFERENCE FOCUSED ON SUPPORT FOR LABOUR GOVERNMENT.
MAJOR ISSUES AT CONFERENCE WERE STATE OF NZ ECONOMY AND
NEED FOR TAX RELIEF FOR LOWER INCOME WORKERS. WAGE
REGULATIONS, WHICH RECEIVED GREAT DEAL OF ATTENTION LAST
YEAR, WERE BARELY MENTIONED IN PASSING. NO CHANGES WERE
MADE IN FOL LEADERSHIP. END SUMMARY.

2. THEME OF FOL CONFERENCE WAS ESTABLISHED BY PRESIDENT
TOM SKINNER'S TWO AND A HALF HOUR REPORT IN WHICH HE
DEFENDED MAJOR LINES OF GNZ ECONOMIC POLICY AND
EMPHASIZED NEED FOR FOL TO SUPPORT LABOUR PARTY IN NOVEMBER
ELECTIONS. SKINNER SAID LAST YEAR'S MASSIVE BALANCE OF
PAYMENTS DEFICIT (APPROXIMATELY US\$1.25 BILLION) AND OVER-
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SEAS BORROWING OF SOME US\$800,000,000 HAD HAD EFFECT OF

MAINTAINING EMPLOYMENT AT A TIME WHEN OTHER DEVELOPED NATIONS WERE SUFFERING HIGH LEVELS OF UNEMPLOYMENT. ELECTION OF NATIONAL PARTY GOVERNMENT UNDER LEADERSHIP OF ROB MULDOON WOULD RESULT IN ECONOMIC POLICIES THAT WERE SURE TO RESULT IN UNEMPLOYMENT AT FIVE FIGURE LEVEL. SKINNER BARELY TOUCHED UPON FOL DESIRE FOR RETURN TO FREE COLLECTIVE BARGAINING AND STRESSED NEED FOR TAX RELIEF FOR LOWER INCOME GROUPS AS OPPOSED TO WAGE INCREASES. HE NOTED THAT WAGE INCREASES, RESULTING IN HIGHER PRODUCTION COSTS, WOULD EFFECTIVELY INCREASE LEVELS OF UNEMPLOYMENT.

3. SUPPORT FOR SKINNER'S POSITION WAS WIDESPREAD AND EVEN MILITANT LEFTIST UNIONS BACKED AWAY FROM POTENTIALLY DEVISIVE ISSUES BEFORE CONFERENCE. MOST IMPORTANT OF THESE WAS RESOLUTION REQUESTING CONFERENCE SUPPORT FOR AUCKLAND DRIVERS UNION DEMAND FOR \$1.20 A DAY "TRAVELLING ALLOWANCE". TOUTED AS MOST CONTROVERSIAL ISSUE BEFORE CONFERENCE, TRAVELLING ALLOWANCE WAS SUBJECT OF DESULTORY DEBATE. DELEGATES VOTED TO REFER ISSUE TO FOL EXECUTIVE WHICH WILL DISCUSS PROBLEM WITH GOVERNMENT. BARRING UNFORESEEN MILITANCY THIS SHOULD EFFECTIVELY PIGEONHOLE PROBLEM UNTIL AFTER ELECTION.

4. ELECTION OF OFFICERS PROVIDED NO SURPRISES. SKINNER, ELECTED FOR A FIVE YEAR TERM IN 1971, WAS NOT UP FOR REELECTION. VICE PRESIDENT JIM BOOMER AND SECRETARY JIM KNOX WERE RETURNED UNOPPOSED. FOL EXECUTIVE MEMBERS WERE ALL REELECTED. WHILE SHE FAILED IN HER EFFORT TO GET ON THE EXECUTIVE, SONJA DAVIES, THE LEADING WOMAN IN NEW ZEALAND LABOR, DID MANAGE TO GARNER SLIGHTLY MORE VOTES THAN WELLINGTON DRIVERS UNION SECRETARY KEN DOUGLAS. DOUGLAS, A LEADING LIGHT IN MOSCOW-ORIENTED SOCIALIST UNITY PARTY, HAS RUN FOR THE EXECUTIVE FOR SEVERAL YEARS AND FOR PAST THREE YEARS HAD BEEN HIGHEST VOTE GETTER AMONG UNSUCCESSFUL CANDIDATES.

5. INTERNATIONAL REPRESENTATIVES AT CONFERENCE INCLUDED JACK JONES OF BRITISH TRANSPORT AND GENERAL WORKERS UNION AND VITALY POLIVANOV AND VLADIMIR KIRILLOV OF USSR ALL UNION CENTRAL COUNCIL OF TRADE UNIONS. FRATERNAL LIMITED OFFICIAL USE

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DELEGATES ATTENDED FROM AUSTRALIA AND FIJI. AFL-CIO WAS NOT REPRESENTED BUT FRATERNAL GREETINGS WERE RECEIVED FROM GEORGE MEANY.

6. DISCUSSIONS OF INTERNATIONAL AFFAIRS WAS LIMITED. HOWEVER, SKINNER EXPRESSED HOPE FOR IMPROVED INTERNATIONAL SOLIDARITY AND EVENTUAL AMALGAMATION OF ICFTU, WFTU AND WCL. HE NOTED THAT HE AND KNOX WILL BE ATTENDING

ICFTU MEETING IN LATE MAY AND ILO CONFERENCE IN JUNE.
AFTER ILO BOTH WILL VISIT MOSCOW. VICE PRESIDENT BOOMER
WILL BE VISITING MOSCOW IN LATE MAY.

7. COMMENT - TWO MOST IMPORTANT POINTS ARISING FROM
CONFERENCE WERE SKINNER'S CONTROL OVER FOL AND ORGANIZED
LABOR'S RECOGNITION OF NEED FOR INDUSTRIAL PEACE AND
INTERNAL COHESION AS ELECTIONS APPROACH.
DIFFERENCES BETWEEN LEFTISTS AND MODERATES WERE SWEEPED
UNDER CARPET AND ARE UNLIKELY TO REAPPEAR BEFORE ELECTIONS.
IN THE MEANTIME THE LABOUR GOVERNMENT WILL BE GIVEN AN
OPPORTUNITY TO POINT TO THE "SUCCESS" IT HAS HAD IN
ACHIEVING INDUSTRIAL HARMONY. SKINNER'S SKILL IN HANDLING
THE CONFERENCE MADE IT CLEAR THAT HE HAS LOST NONE OF
POLITICAL ABILITY. SHOULD HE DECIDE TO RUN FOR PRESIDENT
AGAIN NEXT YEAR THERE IS LITTLE DOUBT THAT HE WILL BE
ELECTED.
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